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January 16, 2007

Ref: 2266-24855

Honorable James H. Welsh
Commissioner of Conservation
Post Office Box 94275
Baton Rouge, LA 70804-4275

Re: Hearing Application
Miogyp-Marg Tex Zone, Reservoir A
RAYNE TOWNSITE FIELD
Acadia Parish, Louisiana
Applicant: Duncan Oil, Inc.

Dear Mr. Commissioner:

In accordance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, application is hereby made on behalf of **Duncan Oil, Inc.** for the calling of a public hearing, after legal notice, to consider evidence relative to the issuance of an order pertaining to the following matters relating to the Miogyp-Marg Tex Zone, Reservoir A, Rayne Townsite Field, Acadia Parish, Louisiana.

1. To create a single drilling and production unit of approximately 533 acres for the Miogyp-Marg Tex Zone, Reservoir A, designated as the MIOGY-P-MT RA SUA, Rayne Townsite Field, Acadia Parish, Louisiana, all as shown more particularly on the attached plat;
2. To establish rules and regulations governing the exploration for and production of gas and condensate from the said units;
3. To force pool and integrate all separately owned tracts, mineral leases and other property interests within the units so created, with each tract sharing in unit production on a surface acreage basis of participation;
4. To consider such other matters relating to the subject reservoir as may be appropriate and justified by the evidence presented at the public hearing.

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The Miogyp-Marg Tex Zone, Reservoir A, in the Rayne Townsite Field is hereby defined as being that gas and condensate bearing zone encountered between the measured depths of 11,170 feet and 11,915 feet (electrical log measurements) in the Sandefer Petroleum Company-Breaux No. 1 Well, located in Section 3, Township 10 South, Range 2 East, Acadia Parish, Louisiana.

In compliance with the Rules of Procedure for Conducting Hearings Before the Commissioner of Conservation of the State of Louisiana, a pre-application conference was held in Lafayette, Louisiana on December 21, 2006. Attached hereto and made a part hereof is a list of the names and addresses of the parties who were in attendance at that conference.

The conference was opened by Mr. B. J. Duplantis. Mr. Remy Williams of W. H. Robbins & Associates, LLC presented the plan of applicant. Questions were asked and answered. Mr. David Sturlese on behalf of the Larrivierre Co., et al presented a different northern boundary to the unit. The parties were able to reconcile their differences. There should be no opposition at the public hearing on this matter.

Attached hereto and made a part hereof is a revised plat outlining the MIOGY-P-MT RA SUA, Acadia Parish, Louisiana, and a list of the names and addresses of the interested owners, represented parties and interested parties to whom this notice is being sent. It is hereby certified that a reasonable effort was made to ascertain the names and addresses of all interested owners, represented parties and interested parties.

A copy of the list of the names and addresses of the interested owners, represented parties and interested parties is not being mailed to those parties along with this application. Should any such party desire a copy of this list, however, we will be glad to provide one upon request.

Any pertinent data relating to the proposed units can be obtained, AT THE COST OF THE REQUESTING PARTY, from Mr. Bill Dale of W. H. Robbins & Associates, 302 La Rue France, Suite 100, Lafayette, LA 70508 (337) 232-5004.

Finally, there is enclosed herewith our check on behalf of the applicant in the amount of \$755.00, made payable to the Office of Conservation, representing the required hearing application fee.

Very truly yours,



B. J. Duplantis

BJD/ht

Attachments

cc: Mr. Richard D. Hudson
District Manager, Office of Conservation

All Interested Owners, Represented Parties and
Interested Parties

